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stroyed if commodities fail to measure up to the representations of them.

That the stability of commerce rests upon the observance of such canons is apparent to anyone with business experience. The promulgation of them

and their backing by the organized power of the credit men of the National Association cannot but result in higher standards of business practice and thus in a service not only to business but to the whole social community.

## History and Present Status of the "Truth-in-Advertising" Movement

As Carried on by the Vigilance Committee of the  
Associated Advertising Clubs of the World

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AN intelligent appreciation of the creative processes at work in modern advertising efforts to establish practices of truth and integrity in relations between producer, seller and the public, necessitates a review of the different stages from the non-organized effort to the present-day organized movement known as "Truth-in-Advertising." The stages are three in number: First, the unscientific day, before 1895, when fraudulent advertising was everywhere countenanced, with occasional state laws passed in an attempt to get at flagrant violations; second, the semi-scientific period, from 1893 to 1911, when standards were in the making and when evils were being clearly defined; third, the beginning of a scientific period, from 1911 to the present, when the Associated Advertising Clubs succeeded in organizing and financing its Vigilance Committee with a definite program to encourage first and to compel afterwards—"Truth-in-Advertising."

The birth of "Truth-in-Advertising" can be clearly seen as a natural part of orderly evolution in the making of advertising history, when once our

modern concept of advertising is clearly defined. Let us review its significance. Advertising has rightly been called a business force. It is a force the dynamics of which, through the cumulative power of its organized ideas, nullifies the customs of ages and breaks down the barriers of individual habits of limited thinking. It works for the future and establishes concepts related to higher standards of living. It is at once destroyer and creator in the process of the ever-evolving new. Its constructive effort is to superimpose new conceptions of individual attainment and community desire. Advertising plays near the heart of humanity, for it touches the main-spring of individual ambition and group desire. It is one of the creative mechanisms of our day, involving individual and group aspirations. It is at once master and servant of those who wield its power. It is a master when it sets the energy impulse of man toward the realization of wishes, desires and wants. It is a servant of the individual advertiser when, through its form, it speaks the right word at the right time, in the right place, and

in the right mood. And it is at this particular juncture of advertising analysis and modern experience that the "Truth" concept was born.

Some business enterprises through opportunism involving unfair profits and deceptive practices, have shied at ethics and have been false and unfair in their advertising appeal. *Caveat emptor* might have been a necessary slogan involving the instinct of self-preservation when business was whim, caprice, childish wonder and greed; in other words, unscientific. But with the onrush of scientific thinking into the affairs of daily business, somehow conscience began to find its technique. To the wonder of the strong and more efficient, there began to dawn in their consciousness a conviction that modern business not only *might* but *must* become strong in its demands for truthfulness in advertising practices.

These first sentiments as a result of the previous "hit and miss" conceptions of action for the suppression of fraudulent, misleading, exaggerated and indecent advertising, are aptly described by John Irving Romer in *Printers' Ink* of June 29, 1893, as follows:

The only criticism of the Boston Convention that has been heard anywhere is that it did not present a definite plan for the elimination of objectionable forms of advertising. Critics said, and say today, "What does all this talk about a higher ethical tone in advertising amount to? How can the offenders be reached?" Honest men will continue to be honest and dishonest men will continue to follow their devious methods, laughing in their sleeves at those who seek to accomplish reforms by mere preachments.

It is as if reformers went up and down the land denouncing burglary. You can get 99 per cent of the public to agree with you that burglary is a very wicked thing and should be suppressed. But the one per cent will break into your house at night

and walk off with your solid silver—that is, *unless there is a law which makes burglary a crime, and a police force that will enforce law.*

Can the power of the law be invoked to eradicate dishonest advertising? If so, can a police force be marshaled which will make the law effective?

Thus was sentiment beginning to gather in the year 1893. In reviewing the evolutionary processes involved in the establishment of higher and better practices in modern advertising, it is only right that we characterize the lack of faith on the part of our forefathers as due to their ignorance of the fructifying power of science to render a livelihood to an increasingly large number of people. It seems as if the modern tendency to establish relations based on the idea of honesty is because we are beginning to find productivity to be possible within the constitution of natural laws and sciences. These, working together render riches in abundance to those whose courage is maintained throughout the selling process.

Thus conscience and science become one in a healthy struggle to realize individual ambitions. That the type of thinking of the "pre-truth" days was childish and magical in its reaction to life can be readily appreciated by the following advertisements of the sixteenth century:

Loss of Memory, or Forgetfulness, certainly cured by a grateful electuary peculiarly adapted for that end; it strikes at the primary source, which few apprehend, of forgetfulness, makes the head clear and easy, the spirits free, active, and undisturbed, corroborates and revives all the noble faculties of the soul, such as thought, judgment, apprehension, reason and memory, which last in particular it so strengthens as to render that faculty exceeding quick and good beyond imagination; thereby enabling those whose memory was before almost totally lost, to remember the minutest circumstances of their affairs, etc.

to a wonder. Price 2s. 6d a pot. Sold only at Mr. Payne's, at the Angel and Crown, in St. Paul's Churchyard, with directions.

Since so many upstarts do daily publish one thing or other to counterfeit the original strops, for setting razors, penknives, lancets, etc., upon, and pretend them to be most excellent; the first author of the said strops, does hereby testify that all such sort of things are only made in imitation of the true ones which are permitted to be sold by no one but Mr. Shipton, at John's Coffee House, in Exchange Alley, as hath been often mentioned in the Gazettes, to prevent people being further imposed upon.

An opposition notice appeared shortly afterwards in the *Daily Courant* of January 11:

The right Venetian Strops, being the only fam'd ones made, as appears by the many thousands that have been sold, notwithstanding the many false shams and ridiculous pretences, as "original," etc., that are almost every day published to promote the sale of counterfeits, and to lessen the great and truly wonderful fame of the Venetian Strops, which are most certainly the best in the world, for they will give razors, penknives, lancets, etc., such an exquisite fine, smooth, sharp exact and durable edge, that the like was never known, which has been experienced by thousands of gentlemen in England, Scotland and Ireland. Are sold only at Mr. Allcraft's, a toy shop at the Blue Coat Boy, against the Royal Exchange, &c. &c.

An editor of one paper even in these earlier days must have had remorse of conscience as is indicated in the following:

Pray, mind the half sheet. Like lawyers, I take all courses. I may fairly; who likes not may stop here.

A second stage in the development of better advertising practices was an attempt in the year 1911 to discover whether or not the common law could be made to bring a violator to terms.

H. D. Nims in *Printers' Ink* of 1911 touches upon this aspect in the following excerpt:

At common law a civil action was possible against a person who deceived another by false or fraudulent statements, and in such an action, damages might be recovered representing the differences between the value of the thing actually sold in connection with the fraudulent statements and the value of what should have been sold had the representations been made in good faith. This civil action is of little value in preventing frauds of this kind, because of the necessity of proving this damage, and because oftentimes the damage on this basis would be very small. It would be quite possible to pass a statute which would compel the defendant, on judgment being obtained against him, to pay triple damages as is provided in the Sherman Act and even greater damages than this could probably be so authorized if advisable. It is doubtful, however, whether if such a remedy as this was created, it would be sufficiently useful to serve as a preventative of these fraudulent acts.

Turning to the criminal side of the common law, there appears to have been no indictable offense recognized by it which corresponds very accurately to the originating and publishing of a fraudulent advertisement. The nearest analogy to it is found in what the common law called a "cheat" which, according to East's *Pleas of the Crown*, Vol. 2, p. 818, consists in the fraudulent obtaining of the property of another by any deceitful and illegal practice or taken (short of felony) which affects or may affect the public.

A review of the laws of the common laws of United States pertaining to advertising resulted in the following:

#### COMMON LAW SUMMARIZED

It may be said that (1) there is nothing in the common law, or in these old English statutes which are a part of American common law, which would furnish an argument against enacting statutes making fraudulent advertising a crime; (2) that the common law and the English statutes

mentioned furnish, by analogy, ample argument for the contention that fraudulent advertising is a cheat or false pretense, and therefore should be regarded as a crime under the various state statutes prohibiting the use of false pretenses, provided it results in definite injury to some person; (3) that there are statutes in most, if not all, of the states of the Union prohibiting the use of all false pretenses which result in actual injury; (4) that very few courts have passed on the question as to whether or not the use of a fraudulent advertisement is a crime under these statutes.

Experience, science and law finally forced recognition of three courses of procedure. Mr. Haase states them as follows:

Three courses are open to you in taking up this matter. First, you can recommend that these general laws regarding false pretenses be amended in each state in such way as may be necessary. Secondly, you can advocate in the various states that merchants of the Advertising Clubs do as is being done in Atlanta—start and push test cases under the general false pretense statutes. Or, thirdly, you can advocate the passage in all of the states, of acts similar to the New York and Massachusetts statutes, both of which, it may be, can be somewhat improved upon.

The influence of *Printers' Ink* in its constant interest finally resulted in Mr. Nim's "Model Statute" based upon existing statutes in certain states, amplifying certain points which were considered advisable. This statute was then offered by *Printers' Ink* as a suggestion to the Associated Advertising Clubs of America whose combined influence has succeeded in establishing the "Model Statute" as law in twenty-three states. A definite course of action is now being planned to secure its passage in every state. Its form follows:

#### The Model Statute

Any person, firm, corporation or association who, with intent to sell or in any

wise dispose of merchandise, securities, service, or anything offered by such person, firm, corporation or association, directly or indirectly, to the public for sale or distribution, or with intent to increase the consumption thereof, or to induce the public in any manner to enter into any obligation relating thereto, or to acquire title thereto, or an interest therein, makes, publishes, disseminates, circulates, or places before the public, or causes, directly or indirectly to be made, published, disseminated, circulated or placed before the public, in this state, in a newspaper or other publication, or in the form of a book, notice, hand-bill, poster, bill, circular, pamphlet or letter, or in any other way, an advertisement of any sort regarding merchandise, securities, service, or anything so offered to the public, which advertisement contains any assertion, representation or statement of fact which is untrue, deceptive or misleading, shall be guilty of a misdemeanor.

To reinforce this law there has finally been evolved in advertising practice what is known as the "Truth-in-Advertising" Movement. It was initiated by the Associated Advertising Clubs of the World, which is what its name implies—a world-wide association of advertising clubs. The movement finds expression through a special department of the association, known as the National Vigilance Committee, and through Better Business Bureaus and Commissions, located in most of the principal cities of the United States.

"The National Vigilance Committee," as the plan is worked out, "concerns itself with abuses of national advertising, and also works in coöperation with the local Bureaus, which in turn, coöperate with each other, thus maintaining a nation-wide organization.

"The membership of a Bureau, which is by firm, includes newspapers and other publications, retailers, banks, investment bankers, advertising agencies, manufacturers, wholesalers, etc.

"Any local business house of good standing is eligible to membership.

Such membership carries the privilege of complaint against abuses of advertising, the right to receive all bulletins issued by the Bureau, the advantage of certain forms of confidential Bureau service, and, of course, a share in the credit for the accomplishments of the organization.

"Bureau work has two main divisions—Merchandise and Financial. The Merchandise Division directs its attention to abuses of advertising in such fields as department stores, men's and women's apparel, other retail groups, automotive and technical, medical and drug, food and beverages, etc. The Financial Division is concerned largely with questionable stock promotion schemes."

Better Business Bureaus are now in operation in thirty-two cities of the United States. The work of these bureaus is not only critical and condemnatory of bad practices but it is constructive as well. For instance, the Better Business Commission of the Cleveland Advertising Club offers recommendations as a guide to assist in avoiding advertising statements and practices that have a tendency to reduce consumer's confidence in all advertising.

The bureaus render definite forms of service. Statements of these services with typical applications of each are as follows:

1. *The Better Business Bureau protects the buying public against deception and possible fraud in advertising and merchandising by investigating and correcting wrong practices.*

Certain seasonable goods have often been priced at a stated figure a few weeks previous and later offered at a greatly reduced price. The former price is used in many instances as the value, when, in fact, the value of such an article has been greatly reduced on account of the season and other con-

ditions and such a statement would be more or less misleading.

2. *Persuades individual firms to discontinue unfair tactics that work to the disadvantage of competitors.*

Manufacturers have been known to bill goods to retailers with the misstatement that the goods were all wool. The retailer has in his turn sold them to the public as all wool. The court held that there was no defense. The retailer should have known whether or not they were all wool. The public has a right to look upon the retailer as an expert.

3. *Removes unjustified suspicion and misunderstanding between competitors by getting the facts regarding suspected advertising and merchandising practices and reporting upon their real character.*

The Federal Trade Commission, in conjunction with a Conference on Trade Practices of the Pyroxylin Plastic Industry, developed the following points concerning the branding and advertising of pyroxylin articles:

We are opposed to the use of the words "Ivory," "Shell," "Amber," "Jade," "Coral," etc., in any other than an *adjective* sense, and then only when coupled with the name of the material or some other qualifying term, such as *color*, *finish*, etc. Illustrative of the foregoing, the following, and similar terms, would be permissible: "Ivory Celluloid," "Ivory Pyralin," "Ivory Fibrelaid," "Ivory Viscoloid," "Ivory Zynolite," "Ivory Acwelite," etc., "Ivory Color Celluloid," etc., "Ivory Color Dressing Combs," "Ivory Finish Combs," "Imitation Ivory," "Imitation Shell," etc. The following and similar terms would be objectionable: "French Ivory," "Parisian Ivory," "Tortoise-Shell," "Tortoise-Shell Eyeglasses," "Ivory Combs," "Florentine Shell," "Ivory Toilet Sets," "Pyralin Ivory," "Jade Necklaces," "Coral Necklaces," "American Ivory," etc.

We are further opposed to the use of the words "French," "Parisian," or any other geographical designations in connection

with the material or articles fabricated therefrom, unless they truly express the point of origin and are coupled with some other qualifying term, such as *color*, *finish*, etc. Under the foregoing, the terms "French Ivory," "Florentine Shell," etc., would be objectionable, while "French Ivory Finish" would be permissible if the thing in question originated in France.

4. *Reduces the burden of unjustified public suspicion which may, through misunderstanding, rest upon the advertising or merchandising of any institution.*

The following circular of the Vigilance Committee evidences their watchfulness on this point.

#### "SELF-COLLECTION" LETTER SYSTEMS

It has been brought to our attention that a number of so-called collection agencies, systems, or associations are advertising in the "Salesmen Wanted" and "Business Opportunity" columns of newspapers and magazines. The following is a representative piece of their copy:

*Agents—\$25 to \$100 per day—Salesmen selling absolute necessity to merchants and professional men. 525 per cent profit. Big weekly repeater. To ambitious men and women this means \$10,000—\$50,000 yearly. Send dime to cover mailing. Outfit free.*

The earning claims in the classified advertisements appear exaggerated and are objectionable in themselves, but a more serious consideration arises from the manner in which these systems operate.

The salesmen purchase the systems for prices ranging from one to two dollars and resell them to merchants for five or six dollars, thus pocketing an exorbitant profit on each transaction. We understand that the systems are composed of a series of collection letters for delinquent accounts. It is said that merchants fill in and mail the letters, making it appear that the communications come direct from the collection agency office, whereas the so-called agency has nothing to do with them after they are sold to the merchant. This is, of course, a misrepresentation of facts

and we believe savors of duress, besides appearing to be a species of false pretense. The Committee is of the opinion that it is not only a violation of the law, but that a debtor could set up a valid defense against the account if the matter was pressed to a suit.

Merchants desiring to protect the Good Will of their businesses should be warned against this questionable method of collecting delinquent accounts.

Publications are given these facts so they may be fully informed concerning a practice of confidence-destroying character.

#### NATIONAL VIGILANCE COMMITTEE

5. *Seeks to create maximum public confidence in every recognized form of advertising—out-of-doors as well as newspaper, magazine, direct mail, etc.—by making all advertising trustworthy.*

Customers dissatisfied by reason of unfortunate experiences with advertised goods or services may secure adjustments through the Bureau, which at the same time takes advantage of the opportunity to educate the advertiser in error to better methods and to impress on the individual customer the integrity of most business.

A woman in Portland ordered a pair of solid gold earrings of special design. When the earrings were delivered, she became suspicious of their quality and a test by another jeweler confirmed her opinion that they were not solid gold. The customer attempted to get a refund of her money, which was refused. She took up the matter with the Better Business Bureau, which found the facts to be as represented by the woman. At first the store was not inclined to concede anything, but a straight-from-the-shoulder talk to the manager on the influence of such methods on the prestige of his business and the Good Will of all business brought results. A refund was made to the woman and the store had been given a new conception of the cash-drawer value of honesty in merchandising.

6. *Increases public confidence in all advertising and merchandising by coöperating with the advertiser to represent*

*correctly his goods and the conditions under which they are sold.*

STATEMENT:—"§10 Y Fire Extinguishers, \$4.98. Buy one and reduce your auto insurance 15 per cent."

It was called to the attention of the Bureau that these fire extinguishers did not all contain a Fire Underwriter's label and that they did not all reduce premiums on automobile insurance.

The matter was taken up with the Y Manufacturing Co. and it was learned that they had been in communication with the advertiser in advance. Both the manufacturer and the Vigilance Committee have been assured that care will be taken to prevent a reoccurrence of this matter in the future.

*7. Helps an advertiser make his printed announcements more believable and productive. In many cases it turns an unscrupulous advertiser into a fair-dealing advertiser.*

#### "RUST-PROOF IRON"

The Bureau received a postal card signed by a Mrs. X, stating that she had bought a well-known washing-machine from a local firm who had advertised same as being rust-proof and that after short use, it had rusted and that the firm in question had refused to make a satisfactory adjustment.

INVESTIGATION: The local representative for Y Iron stated that their product should not be advertised as "rust-proof," but could be advertised as "rust-resisting." This information was not submitted to the retailer, who sold the washing-machine, as the Bureau desired to make a complete investigation as to whether the lady who had purchased same had given it reasonable care. It was found that no such person lived at 3d Street, or 4th Avenue.

RESULTS: However, the next advertisement of the retailer in question carried the words "rust-resisting" in explanation of Y Iron—this without any suggestion from the Bureau that an investigation was being made. The constructive power of the Bureau had apparently had a silent but imperative effect.

It later developed that apparently a competitor of the retailer had made the complaint to test the efficiency of the Bureau as well as to "knock his competitor." The case was thus automatically cleared up to the satisfaction of all concerned.

*8. Protects public confidence in the business community as a reliable trade center so that buyers in the surrounding territory may feel that they will get value-received in a Bureau City.*

STATEMENT:—"Lots \$500 to \$600.

Write or phone for an appointment to inspect B by motor or airplane."

We received a complaint to the effect that the lots advertised at \$500 to \$600 were not sufficient in size to be used as a home site and that when one answered the advertisement it was explained by the salesman that two or more would have to be purchased in order to secure sufficient area upon which to build. It was further reported that one of the representatives of the advertiser had been approached on the question of inspecting B by airplane and his answer was that the statement offering an airplane inspection was a joke.

Our investigator called upon Mr. D, who admitted that the lots were too small for home sites and that the property was divided into this size lot (25 x 150) so that it would be possible for a purchaser to secure a 75 foot front by buying 3 lots, while this would not be possible if they were divided into 50 foot lots.

Our investigator explained to him that there was no objection as to the size of the lots or the quoting of the price of a single lot so long as the copy made clear the fact that one could not purchase a single lot and secure sufficient ground upon which to build a home.

When Mr. D was approached on the question of the airplane inspection, he said that arrangements had been made with the flying field at K for an airplane and that if our investigator wished to make the trip, the plane was at his disposal.

*9. Informs stores which are members of the Bureau concerning misleading statements made by employees with respect*



*to goods advertised, as well as the unfamiliarity of employes with merchandise advertised by their respective departments.*

STATEMENT:—"Gillette Razor, 50c."

Our investigator noticed the sign in the window of the above-named store and, upon going in and purchasing one of the razors, found that it was one of German make designed to resemble the Gillette razor.

He called this to the attention of the advertiser, who immediately removed the sign.

10. *Coöperates with an honest business institution to help it remove confidence-destroying spots in its own advertising and merchandising.*

#### AUCTION SALE OF UNREDEEMED PLEDGES

A well-known firm of auctioneers advertised a two-day public sale of "Thousands of Unredeemed Pledges of D's Loan Office."

INVESTIGATION: Investigation showed the fact that the great majority of the articles offered for sale had never been in the stock of D's Loan Office, were not unredeemed pledges of any kind and were, in truth, the property of another well-known loan office, which was keeping its own name in the dark and had simply arranged the sale under the advertised name of the auctioneer company.

RESULTS: The auctioneer was advised that his sale could not continue unless the truth of the matter was clearly given to the public. The owner of the stock, whose name did not appear, was advised likewise and the sale did not open on the second day. The first day's sale was conducted at a loss of something over \$100, which is a striking evidence of the poor business probable as a result of misleading and untrue advertising. The Bureau is convinced that had the sale been advertised strictly according to the facts in the case and conducted along the same lines, there is no doubt that it would have been a success.

#### STATISTICS WERE TRUE

A company selling orchard lands in a southern state published, in its prospectus, statistics of probable yields from bearing

trees which were questioned by a prospective purchaser. Investigation showed that the advertiser had based the data in question on carefully verified figures and had understated rather than overstated his proposition based on actual yields. In conference with representatives of the company, the committee recommended that future advertising state the sources from which the figures quoted were derived and make clear the care with which the yields were verified and analyzed, in order that believability might be increased.

11. *Curbs certain types of fraud such as "home work" schemes and "gyp" sales, advertising both locally and nationally in the classified columns of newspapers and magazines and by direct mail.*

#### Y SECURITIES ADVERTISING

D's "investment house," the Y Securities Company, posed in many advertisements as a regular establishment dealing in "reliable industrial securities." This appears on the letterhead, although we have been unable to discover that either D or the Y Securities Company ever dealt in anything but the stocks of D's various enterprises.

In a magazine called, with fine irony, "*Truth*," and containing about as wild and unreliable "news" of phenomenal fortunes made in oil as we have ever seen, the Y Securities Company was a liberal "advertiser," if, indeed, the magazine was not merely a house organ for that company. In one of these announcements it is stated, in an effort to sell Y Securities stock, that "Here is a chance for you to take absolutely sure profits out of the great Texas oil boom. The Y Securities Company is as sound and as strong as the Rock of Gibraltar. It markets nothing but the very best oil securities, and it takes no risk of any sort whatever. Every transaction brings its stockholders a profit."

As before stated, this company dealt in D's stocks exclusively: X Oil, now in a receiver's hands, Y Oil and Refining, now defunct, and the Y Securities Company, "as sound and as strong as the Rock of Gibraltar," which is also now defunct.

## ADVERTISING FOR "SUCKER LIST"

D has more than once advertised in newspapers offering to send free to inquirers, maps and data regarding the Texas oil fields. These advertisements do not mention his oil companies but they are merely inserted to get additional names for his "sucker list."

We suggest that copy received from D be weighed in the light of facts set out above.

*12. Promotes state and municipal legislation for the better protection of legitimate business and the public from abuses of advertising. But only flagrant misuses of advertising are prosecuted, and then only as a last resort.*

Examination of X, said to have been the organizer of four Suit Clubs, will take place in Police Court according to information given out by the Prosecuting Attorney.

The warrant was issued after investigation by the Better Business Bureau in conjunction with the Prosecuting Attorney's office. Men who joined the clubs, it is charged, paid \$1 a week until a certain amount had been placed to their credit. Then they were supposed to have the privilege of selecting a tailored suit. Once a week, it was advertised, a drawing would be held and suit given free.

Investigators working for the Better Business Bureau have been informed by local detectives that no one has received a suit free as far as they have been able to ascertain. A foreman in the Plant told detectives he was notified that he had won a \$38 suit, but when he went to claim it he was informed that all suits at this price had been disposed of, but he could obtain a \$55 suit by paying the difference.

According to the Prosecutor few men ever got suits for the amount they agreed to pay. After paying in the required sum, it was charged, the club members were informed that cloth had gone up and the suit would cost \$70 or more. There are approximately 300 complaints in the Prosecutor's office, the police say, of persons who have paid their money and never have drawn a suit of clothes. Four shops were maintained in P—.

*13. Secures adjustments for customers dissatisfied by reason of unfortunate experiences with advertised goods or service, at the same time taking advantage of the opportunity to educate the advertiser in error to better methods and to impress on the individual customer the integrity of most business.*

This practice of deceptive cuts or illustrations is causing much dissatisfaction and is greatly decreasing reader-confidence because,

1. The reader always assumes, and rightfully so, that cuts are samples of the merchandise offered for sale (the only exception being announcement advertisements and others of general nature).

2. When it is found the style represented by a cut is not to be had, and, perhaps, never was included, there is a great big loss of good will.

Is it worth it? If you have experienced some of the reactions of the buying public as the author has experienced them, you would say NO. Besides, some advertisers seem to use such cuts with intent to mislead.

*14. Takes the necessary steps to protect investment bankers from the unfair competition of fraudulent stock promotions, conserving money in legitimate business channels in the interest of banks and business generally, and maintaining the confidence of the public in the advertising of worthy investment securities.*

The Minneapolis Business Bureau reports its experience as follows: The Bureau has consistently extended and received coöperation from the State Securities Commission in the realm of speculative financial advertising. The investigation of "Fraudulent Financial Advertising" is directed against those who seek to reach investors, big and little, with promises of handsome and impossible returns. Considerable research is required. This is especially true here because an amendment to the Blue Sky Law in 1919 prevents the newspaper advertising of any security not approved by the Securities Commission.

So to a very large extent, promoters of alluring but undesirable investments, securities, oil stocks and get-rich-quick schemers have resorted to sucker lists and direct-by-mail-advertising.

Again quoting Mr. Lee in *Printers' Ink* of June 16, 1921, the following summary is suggestive of the strides made by the Truth-in-Advertising Movement:

There was a need for the Model Statute. It reaches the fraudulent advertiser. Its validity has been upheld whenever attacked. It is used and not misused. It has helped advertising. It is the background of this association.

The year that ended on May 1, 1921, has been the greatest year in the history of the Vigilance Committee, speaking in terms of definite accomplishments. During that year approximately 1,000 cases were investigated, 650 of which have led to definite, successful results. Approximately 1,655 inquiries have been handled.

Figures reported by local bureaus for the year show that 6,815 cases have been investigated and that there have been but 51 prosecutions.

We no longer find it necessary to explain or defend the movement. Our mail is intelligent. The letters we receive show that the movement is understood.

We have gone safely in order that we may go far.

Now we have come to the point where we must expand. We are to stop theorizing that we are covering the entire country and actually cover it.

All of the Better Business Bureaus of the country are to be joined in an association. That association and the National Vigilance Committee are to be welded into one body. This plan was discussed at the convention of the

Associated Clubs and will be acted upon in a short time.

In order to make our work national in scope and in order to handle every case that comes up we must have contact in every county in every state in the Union.

I have said that we have relied upon the Postal Law in certain cases. We want the Model Statute to be the whole force so far as law is concerned. Through the new contacts which are to be created we intend to have the Model Statute enacted into law in every state in the Union. It has been asked why we do not endeavor to have the Model Statute made a federal law. This we do not want. There are several reasons. The most important one is that it is possible to obtain action more readily in the state courts than it is in the federal courts. There are generally not so many other cases ahead in the state courts.

At Atlanta a campaign for the purpose of putting the Model Statute on the legislative records of those states which do not now have it was discussed. It is now planned to publish a brief on "The Law and Misleading Advertising," which will contain a discussion of existing laws affecting advertising and the prevention of fraud and which will show why the Model Statute should be enacted into law exactly as it was first proposed by *Printers' Ink*. This brief will be given wide publicity as an educational force.

Unless we can put the law on the books of every state this movement cannot advance as it should. The Model Statute has been the ounce of prevention that has made it unnecessary for the advertising business to look for the pound of cure that surely would have been necessary had the Model Statute not been enacted into law in an increasing number of states since 1913.